CIA HISTORICAL REVIEW PROGRAM

RELEASE AS SANITIZED

27 February 1954

Door 15 July 1954

Everything is moving forward in preparations, as Manuel has undoubtedly discussed with you. The forthcoming flights for getting needed items in position are all arranged. I am anxious to know how you have fared on your return to the area and the results of your reentry into the official picture there. Also I am anxious to know the identities of persons discussed between you and Don Ricardo.

Certain portions of your submission of March budget are difficult to understand in the light of our provious conversations. Where we are agreed that we must recontact the key military men one-by-one initially, and that the contact should be by graduates of the leader and command and staff training, estimated expenditures for Guatemala seem unusual. I am asking Juan Jose to discuss this with you in order to ascertain who the men are that you have in mind. Keep in mind our initial attitude of cautious approach to old friends.

when you discuse this with Juan Jose, please identify the persons to whom the money is to go, if you still feel the money should be sent in. I will discuss it with Juan Jose once he understands your reasoning and if we and the group are together in mind then, will make additional money to you available.

Again, the movement of two hundred and fifty men into Ricaragua is a pussle to me. Note the breakdown of training personnel in the attached list and indicate where the misunderstanding in numbers lies.

HONDURAS

Sec. 12.

1. Furchase of three vehicles: The purchase of these vehicles at this time is considered impractical in that it is understood six vehicles are available to the area and the majority of March activity is to be of recontact nature, staff work for personnel identification, and preparation for and receipt of material. Your present four 7-ton trucks should alleviate the heavy moving problem.

4. Support and Organization and 5. General and unforesee: expenses:
A. Care, personnel being held awaiting assignment
(including commitments for care of families) 150 men \$ \$45/men
B. Occupying three staging sites \$ \$150/month/site

C. Rent three staging sites @ \$350/month/site

info basel on data given by meanls.

D. Travel couriers on paramilitary missions

E. Movement 13 sab recruits 6 \$50/ea.

F. Movement 30 leaders & \$50/ea.

G. Movement 14 communication trainess 6 \$50.00.

-H. Transportation expenses staging materiel @

.25/mile, 15 trips, 200 miles ea.

I. Obtain mule train @ \$100/mule

J. Personal expenses and unforeseen emergencies

The care of one hundred and fifty men should be itemized for Juan Jose by you for the group's benefit as soon as cossible (in other words who are they, name, approximate age, present location, and what are they being used for) so that the overhead personnel can be identified separate from useable paramilitary personnel. Leter, as soon as your staff can prepare the data, we will need occupational history, parents and kin, etc.

It is realized that a portion of the recruited personnel for pares 4 and 5, E., P., and G. are coming from Guatemala. Allowance for those families of the entire group of new recruits and other personnel with families still in Guatemala is lumped under the Guatemala heading.

GUATEVALA

8. Support and Organization:

A. Commitments to families of me: now being held spart from families

B. Expenses incurred passing commitments to families

EL SALVADOR

461494041 000

12. Support and Organization:

A. Care personnel being held awaiting assignment (including comittments to families, etc.)

B. Care occupation intermediate storage point

C. Rent 1 finca

D. Occupation 3 fincas @ \$350

E. Transportation expenses, staging material

.25/mile, 5 trips, 80 miles

F. Personal expenses, bribes, unforescen emergencies

NICARAGUA

13. Feeding and Training:

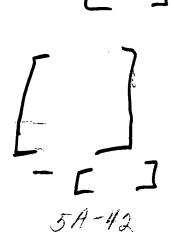
A. Feed and care 33 PN & month

B. Feed and care 7 communicators

C. Feed and care 14 overdue Sab recruitsD. Feed and care 30 leaders

E. Feed and care 13 overdue communicators

F. Feed and care 10 camp overhead



overall total

NICARAGUA (cont'd)

14. Transportation: Present panel truck and jeep only needed [] transportation. Panel truck should be traded immediately as Manuel will discuss with you.

- 15. Wages
- 16. No aviation expenditures Merch. Present plane under Hig Brother's care and disposition instructions will be issued soon.
 - 17. Doctor, medicines, etc.
 - 18. Official charges what it?
 - 19. Office expenses disposition to be discussed with Hammel
 - 20. Traveling expenses
 - 21. General expenses family (Sierra only)
- 23. The men mentioned in para 13 represent all men
 planned for movement to or trained in Micaragua. For the
 expected 57 yet to arrive, allowance of \$50/ea. for movement
 is allowed.

 | Smill | lost mould for same movement.

The numerous receipts received have been appreciated by the Group, however, I have been informed that it is not their desire to impose heavy administrative burden on you by accounting for every cent you spend. Therefore it is a believed adequate if you could simply provide a breakdown of expenses by the period. I suggest, and the Group approves, that you provide a ledger for the accounting period which hereafter will be every two weeks. This ledger or notebook would describe the purpose of the expenditure, date, and expend to be forwarded through these channels under your alias signature. I believe this will help reduce your paper burden although it may mean keeping two such records simultaneously and for your safekeeping.

Where houses are being listed, explain their use and the personnel occupying them to Juan Jose.

where vehicles are being cared for, identify them and the legal owner.

Where Salvadoran contacts are listed, identify them.

Once identification of the above is established, only additions or reductions need be noted.

Developments may alter the expenditures necessary during the latter portion of the month so that expenditures increase of dec ease. Therefore, for persmilitary expenditures, one-half the above total is being sent 1 March

while the remainder will be placed in your control 15 March, with necessary additions or reductions included.

One helf svailable 1 March
In Tegucigalpa (for Honduras and El Salvador
In Managua (for Ricaragua)

Juan Jose will personally deliver to you the 1 March amount for Honduras and El Salvador.

Memuel or Alberto (commo trainer) will deliver to your liaison in Managua the 1/March amount for Micaragua.

One-half available 15 Merch (plus or minus changes due to developments)

Andre will deliver the Handuras amount to you 15 March.

Menuel or Alberto will deliver the Nicaragua amount to your liaison in Menagua.

It is hoped you are finding the recruiting going well for the thirty leaders, the remaining thirteen communications men, and the remaining Sab recruits. The trainers have reported very satisfactory attitude and capability of those thus far.

Femeraber that to light the light on the lighthouse we have to build a firm tower starting with the first bricks.